The total expenditure amounted to Rs. 80,83,137 as against Rs. 85,74,100 and Rs. 85,42,900 anticipated in the budget and the revised estimates respectively. Compared with the actuals of 1105 there was a decrease in expenditure by nearly Rs. 2½ lakhs. The decrease was mainly under 'Excise', due to the altered system of debiting the cost of Salt to the head 'Advances', under 'Public Works' due to lapse of works and under 'Stationery and Printing.'

The actual transactions of the year thus resulted in a deficit of Rs. 10,66,500; but this deficit, it will be observed, was primarily due to the fact that the revenue from 'Customs' to the extent of Rs. 17,49,715 due during the year was not received until after its close. If this amount of Rs. 17,49,715 had been received before the close of the year, there would have been a substantial surplus of nearly Rs. 7 lakhs. On the other hand, the net surplus to the credit of the State at the end of 1106 came to be reduced to Rs. 93,17,977 from Rs. 1,03,84,477 at the beginning of the year.

REVISED ESTIMATES OF 1107.

5. I will now pass on to the revised estimates of the current year.

When introducing the budget for the current year, my predecessor estimated that the year would bring in a revenue of Rs. 84,67,000 out of which it was proposed to spend Rs.84,14,700 thus effecting a small surplus of Rs.52,300. According to the figures so far available, the revenue for the year is, however, estimated to come to Rs. 1,02,29,900 and the expenditure is expected to stand at Rs. 83,65,200. The ordinary transactions of the year are thus expected to close with a surplus of Rs. 18,64,700 as against the budgetted surplus of Rs. 52,300. As has been already observed, such a substantial increase over the budget forecast has been mainly brought about by the fact that the Customs revenue of 1106 amounting to Rs. 17,49,715 which was expected in that year could be received and credited only in the current year. Even excluding this item of credit the transactions of the current year are safely expected to result in a surplus of Rs. 1,15,000. This position will be explained below in greater detail.

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RECEIPTS.

Besides the revenue under 'Customs' adverted to above, the heads that have been responsible for increased revenue are (1) 'Public Works' (Rs. 89,000) on account of the supply of Chowwara water to Shipping, Railway, etc., as also the contribution received for the 1st time from the Government of India Road Fund formed out of the increased duty on petrol, (2) 'Salt' (Rs. 86,000) mainly on account of the surcharge in salt duty and (3) 'Tobacco' (Rs. 24,600) owing to the increase in rentals.

Against these increases, however, appreciable fall in revenue is apprehended under 'Receipts from Capital outlay', 'Stamps', 'Tramway', 'Abkari and Ganja', 'Scientific, etc., Departments', 'Land Revenue', 'Registration', etc. Of these, 'Receipts from Capital outlay on Railway' come first with a large anticipated fall in revenue of Rs. 82,000 from the budget estimate of Rs. 13,60,000 mainly on account of fall in traffic in Railway, while 'Stamps' follows with a fall of Rs. 29,400 from the estimate of Rs. 6,48,400. As against the budget estimate of Rs. 1,43,100, the revised estimate under 'Tramway' anticipates a decrease of Rs. 19,300 due to the fall in the quantity of timber transported and 'Abkari and Ganja' expects a fall of Rs. 17,600 as compared with the budget estimate of Rs. 11,41,300 due to economic depression with the consequent default by licensees and decrease in consumption of liquor. Then comes 'Scientific, etc., Departments' and 'Land Revenue' each of which registers a fall of Rs. 13,300 and Rs. 10,700 respectively, the former chiefly due to the fact that the products of the Potteries could not be sold to the extent anticipated and the latter mainly due to the remission which had to be granted in the course of the year on account of destruction of crops by floods. Lastly 'Registration' shows a fall of Rs. 5,000 from the budgetted estimate of Rs. 1,30,000 due, again, to general economic depression.

I do not propose to go into details about the small variations under other heads lest further details should be dreary.

DISBURSEMENTS.

As already stated by me, the expenditure according to the revised estimates is expected to be less than the budget forecast

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of Rs. 84,14,700 by Rs. 49,500, there being decrease under various heads and increase under a few.

Compared with the budget estimate, savings are noticeable mainly under 'Public Works','Forests', 'Uplift of the Depressed Classes', 'Military', 'Agriculture', 'Tramway' 'General Administration' etc. Under 'Public Works', we anticipate savings to the extent of Rs. 56,800 from the budget estimate of Rs. 16,09,500 mainly due to lapse by non-execution of works. The smaller quantity of timber extracted from Parambikulam on account of the uncertain trade conditions, with the consequent decrease under transport, felling and collection charges is expected to bring in savings to the extent of Rs. 42,600 in the budgetted estimate of Rs. 2,91,600 under 'Forests'. Even though the requirements of 'the Depressed Class colonies' demanded an excess expenditure of Rs. 6,500 over that of Rs. 20,000 allotted in the budget for the current year, the total of the revised estimate under 'Uplift of the Depressed Classes' expects savings to the extent of Rs. 15,700 as compared with the budget estimate of Rs. 1,20,100 in view of the fact that the actual demand under 'Feeding' and 'Supply of school materials' as well as that under 'Grant-in-aid' falls short of anticipation. 'Military' comes next with a large decrease in expenditure of Rs. 12,500 from the budget estimate of Rs. 1,26,300 mainly on account of the postponement of the purchase of troop horses and the consequent reduction under 'Cost of feeding'. The reduced expenditure under 'Travelling Allowance' and other items of the Agricultural department would, it is anticipated, bring in savings to the extent of Rs. 9,100, while under 'Tramway' it is expected that there would be savings amounting to Rs. 7,300 owing to the reduced expenditure under 'Capital' as also to the retrenchment in the department by which the expenditure both under 'Establishment' and 'Stores' was reduced to the bare minimum from Medam 1107. 'General Administration' and 'Medical' are the other important heads which expect savings of Rs. 6,000 and Rs. 5,300 out of the respective budget estimates of Rs. 1,54,100 and Rs. 4,21,000, the former owing to the savings under 'Establishment' and 'Contingencies' and the latter on account of the savings under 'Dietary charges' and 'Bedding and clothing'.

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Against these decreases, there are a few heads which anticipate increases, *viz.*, 'Miscellaneous', 'Education', 'Law and Justice', 'Panchayats', 'State Conveyances' and 'Sanitation and Conservancy'. Of these 'Miscellaneous' comes first with a large increase in expenditure of Rs. 72,600 over the budget estimate of Rs. 55,200 mainly due to the Installation of His Highness the Maharaja, the larger number of guests that had to be entertained in the year, the larger subscriptions and donations that had to be paid and the deputation of the Secretary to the Diwan to the Round Table Conference in London. 'Education' comes next with an increase of Rs. 15,700 over the budget estimate owing to the fact that many of the arrear bills on account of revision of pay could be paid only in the current year which was not anticipated and increased grants-in-aid. Next in the scale of anticipated increases in expenditure comes 'Law and Justice' with an increase of Rs. 9,400 over the budget estimate of Rs. 3,00,800 on account of the entertainment of two temporary Puisne Judges and of the necessary staff for hearing appeals in certain cases, the extension of the term of the 2nd Additional District Judge and of the special Magistrate to try the Kumbalangi Riots Cases, etc. 'Panchayats' follow with an anticipated increase in expenditure to the extent of Rs. 8,500 over the budget estimate of Rs. 2,86,800 mainly due to additional allotment that had to be granted for the flood relief operations conducted by the department at the beginning of the year. 'State Conveyances' and 'Sanitation and Conservancy' are the two remaining heads showing noticeable increases in expenditure of Rs. 4,900 and Rs. 2,900 respectively over the budget estimates of Rs. 72,400 and Rs. 83,700. The increase under the former is mainly on account of the recent purchase of a new car for His Highness the Maharaja and the increased travelling allowance due to the tour of His Highness the late Maharaja to Madras, while that under the latter is the result of the measures that had to be taken to check the alarming growth of the small-pox epidemic this year.

The transactions of the year are, as once stated, expected to result in a surplus of Rs. 18,64,700 and thus the year is anticipated to close with a net surplus of Rs. 1,11,82,677 as against an actual of Rs. 93,17,977 at the beginning of the year.

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